

'Far more extreme than anything we've ever seen, including the worst weeks of the Great Recession' — economist gasps as U.S. jobless claims jump 3,000% in 3 weeks

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"A portrait of disaster."

— Heidi Shierholz, a senior economist at the Economic Policy Institute

Initial unemployment claims jumped 3,000% to 6.6 million last week from 211,000 for the week ending March 7, the Labor Department said Thursday. Businesses have closed in an effort to stop the spread of coronavirus, as millions of Americans practice "social distancing" at home.

"This kind of upending of the labor market in such a short time is unheard of," said Heidi Shierholz, a senior economist and director of policy at the progressive Economic Policy Institute, a Washington, D.C.-based think tank. She called the latest numbers, "A portrait of disaster."

The \$2 trillion stimulus package, passed by the Senate last week, will help the U.S. through the COVID-19 pandemic, of which New York City is now the epicenter, Shierholz added, but she added, "This kind of upending of the labor market in such a short time is unheard of."

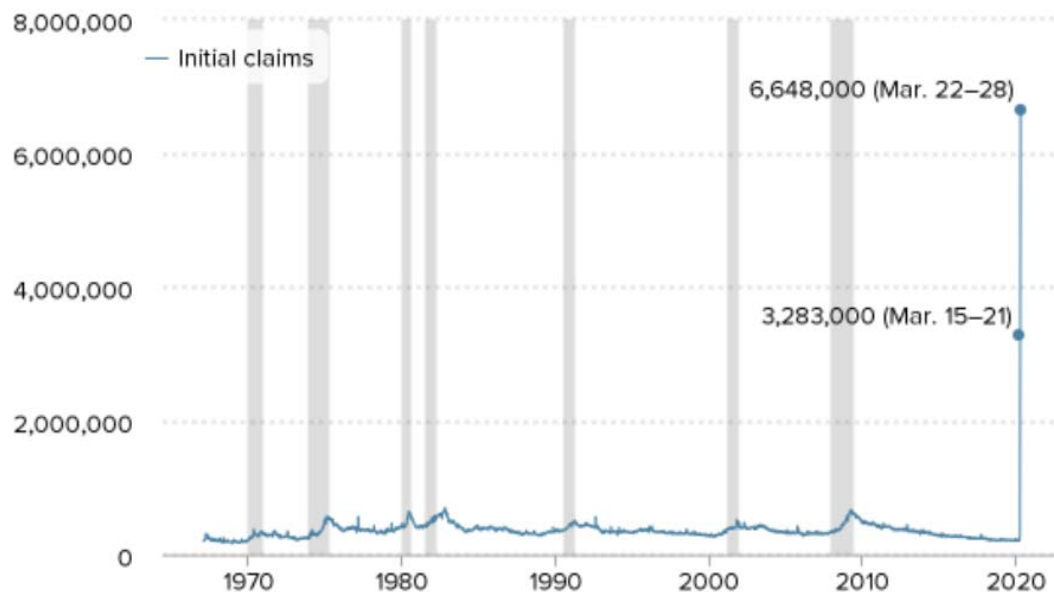
Dispatches from a pandemic: ['Would you risk your life for a bagel?' A New Yorker's 5-point guide to surviving grocery stores during the coronavirus pandemic](#)

"The spike at the end shows the unprecedented territory we are in right now," she said, citing this graph (below), showing labor market trends over the last 50 years. "What the labor market is currently experiencing is far more extreme than anything we've ever seen, including the worst weeks of the Great Recession."

The number of unemployed Americans is likely to surpass the prior record of 15.3 million, also seen during the Great Recession after the subprime-mortgage market crashed. [Economists predict 25 million Americans](#) or more could lose their jobs in the next few months, at least temporarily.

Weekly initial unemployment insurance claims

Seasonally adjusted, 1967–present



Note: Due to the scale of the chart and rapid increase in initial unemployment insurance (UI) claims, the initial UI claims for the weeks ending March 21 and March 28, 2020 appear to align vertically.

Department of Labor data presented by the Economic Policy Institute (above).

Shierholz said initial unemployment claims do not include many workers who are out of work due to the virus, including independent contractors, those who don't have long enough work histories, those who had to quit work to care for a child whose school closed, so the actual number is higher.

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"One of the most effective parts of the CARES ACT, the relief and recovery act that Congress passed last week, is a \$250 billion expansion of unemployment insurance," Shierholz said.

The \$2 trillion stimulus package includes an increase in the level of benefits and the creation of a Pandemic Unemployment Assistance (PUA) program which would be available to many workers who are not eligible for regular unemployment insurance (independent contractors, for example).

The \$2 trillion stimulus bill will [pay workers \\$600 a week](#) on top of whatever sum they receive in their state-level unemployment claim for a period of up to

four months, according to provisions in the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Coronavirus had infected at least 216,768 people in the U.S. as of Thursday evening and killed at least 5,148 people, with 1,374 deaths occurring in New York City alone, according to Johns Hopkins University's Center for Systems Science and Engineering. Worldwide, there were 962,977 confirmed cases of the virus and 49,180 reported deaths.